

Service Date: March 14, 1991

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application) UTILITY DIVISION
of US West Communications for)
Forbearance of Rate Regulation Re:) DOCKET NO. 91.3.6
Buttrey Foods - Drug, Great Falls,)
Montana.) ORDER NO. 5545

FINAL ORDER

FINDINGS OF FACT

1. On March 5, 1991, US West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or PSC) requesting forbearance of rate regulation for intraLATA Message Telecommunications Service (including four call types and collect billing), Outward Wide Area Telecommunications Service (WATS) and WATS 800 Service for Buttrey Foods - Drug, 601 Sixth Street S.W., Great Falls, Montana. USWC makes its application pursuant to Section 69-3-808, MCA.

2. On March 12, 1991, at a duly noticed work session, the Commission GRANTED USWC's forbearance application for MTS, Outward WATS and WATS 800 service. The Commission bases its decision solely upon the contents of USWC's application.

3. Attached to and referenced in USWC's application was a letter from Buttrey Foods - Drug addressed to USWC, dated March 1, 1991, requesting a proposal to supply long distance service. Buttrey Foods - Drug noted that it had in its possession a proposal from AT&T to supply all of its long distance needs via AT&T's MEGACOM service.

4. Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discount prices in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the

services listed herein or in past applications will cover relevant economic costs. Further, no economic cost studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for the services listed herein fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

CONCLUSIONS OF LAW

1. USWC provides regulated telecommunications services within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, Sections 69-3-101 and 69-3-803(3), MCA.

2. The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

3. USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

ORDER

1. USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of intraLATA Message Telecommunications Service (including four call types and collect billing), Outward Wide Area Telecommunications Service (WATS) and WATS 800 Service for Buttrey Foods - Drug, Great Falls, Montana.

Done and Dated this 12th day of March, 1991 by a 4 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman

WALLACE W. "WALLY" MERCER, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.